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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/068,771	02/05/2002	Charles Eldering	T742-10	7576
27832	7590	04/23/2004	EXAMINER	
EXPANSE NETWORKS, INC. 6206 KELLERS CHURCH ROAD PIPERSVILLE, PA 18947			HUYNH, SON P	
		ART UNIT		PAPER NUMBER
		2611		17

DATE MAILED: 04/23/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>
	10/068,771	ELDERING ET AL.
	<b>Examiner</b> Son P Huynh	<b>Art Unit</b> 2611

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 03 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 01 December 2003.
- 2a) This action is FINAL.      2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 108-193 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 108-193 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on 05 February 2002 is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    - a) All    b) Some \* c) None of:
      1. Certified copies of the priority documents have been received.
      2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
      3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                    | Paper No(s)/Mail Date. _____.   |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____. | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
|   | 6) <input type="checkbox"/> Other: _____.                                   |

## **DETAILED ACTION**

### ***Response to Arguments***

1. Applicant's arguments with respect to claims 108-193 have been considered but are moot in view of the new ground(s) of rejection. Claims 1-107 have been cancelled.

### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 108-153, 172-193 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hendricks et al. (US 6,463,585), and in view of Hite et al. (US 5,774,170);

Regarding claim 108, Hendricks discloses a method for delivering targeted advertisements to a subscriber with video that the subscriber selected to receive from a television delivery system. The operation center receives analog and digital program signals and processes the signals to produce digital compressed program signals that

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are then delivered to head end and television terminal. The operation center and the headend receives demographic of viewers and terminal information such as ID, configurations; watched program information such as what programs a viewer purchased and when it was purchased, what channel a specific viewer watched and for how long, which of the multiple channels the set top terminal 220 tuned to during a program break (see col. 20, line 20+); the demographics; terminal information and watched program information are stored as user profile. The users are grouped based on the user information collected from the terminals (see col. 31, line 1+). When user selects a specific program from the menu, the operation center and the head end determines the available advertisements target to the user according to user's profile and provide the targeted advertisements to the terminal for use during program breaks (see col. 26, line 15+, col. 35, line 1+). Inherently, the method comprising:

selecting the video;

determining available advertisement opportunities in the selected video;

receiving advertisement profiles, wherein the advertisement profile define traits for an associated advertisement (description or identification of the advertisement, income/age/sex, etc. col. 26, line 60+);

selecting a first set of advertisements capable of being delivered with the video by comparing the advertisement traits and the available advertisement opportunities (col. 27, line 15+); selecting targeted advertisements; delivering the selected video and the targeted advertisements to the subscriber. However, Hendricks does not specifically discloses the advertisement profiles define traits and intended target market of the

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associated advertisement, wherein the intended target market traits include criteria related to specific transaction of subscribers, and wherein the criteria included presence of the specific transactions, absence of the specific transactions, or presence of a first subset of specific transactions and absence of a second subset of the specific transaction;

selecting a second set of advertisements that are of interest to a subscriber by comparing the intended target market traits and subscriber transaction data, wherein the comparing includes searching the subscriber transaction data for the presence of the specific transaction, the absence of the specific transaction, or the presence of a first subset of the specific transactions and the absence of a second subset of the specific transactions; and the targeted advertisements includes advertisements that part of both the first set of advertisement and the second set of advertisements.

Hite teaches the advertisement profiles (commercial CID code – col. 4, line 1+) define traits (commercial identifier code- col. 3, line 42+) and intended target market (code for particular program, particular display, etc.- col. 4, line 12+) of the associated advertisement, wherein the intended target market traits include criteria related to specific transaction of subscribers, and wherein the criteria included presence of the specific transactions (col. 4, line 52+); Hite further discloses a series of viewer reaction codes can be included to cause additional relevant commercials to be presented in reaction to a viewer's response to questions or other viewer interaction. The relevant commercials could be for more detailed information about the same product or service. Alternatively, they could be for products or services which are likely to be of interest of

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the viewer based on the viewer response. For example, a viewer who requests more information about children's aspirin may also be offered a subsequent commercial on children's chewable vitamins (col. 4, line 52+). Necessarily, a second set (subsequence commercial) of advertisements that are of interest to a subscriber is selected by comparing the intended target market traits and subscriber transaction data (response to viewer reaction), wherein the comparing includes searching the subscriber transaction data for the presence of the specific transaction (presence of viewer interaction); and the targeted advertisements includes advertisements that part of both the first set of advertisement and the second set of advertisements. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Hendricks to use the teaching as taught by Hite in order to improve efficiency in advertising.

Regarding claim 109, Hendricks in view of Hite teaches a method as discussed in the rejection of claim 108. neither Hendricks nor Hite specifically discloses specific transactions are kept confidential. It would have been obvious to one of ordinary skill in the art to keep specific transaction confidential in order to increase security.

Regarding claim 110, Hendricks teaches the specific transaction are purchase transactions (see col. 21, line 8+).

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Regarding claims 111, 112, Hite discloses lists of consumers who would be viewing or listening to programming and would be served by commercials which match their needs and wants based on the systems and process of this invention. This list is supplied by agencies which have gathered data on the consumers and have created algorithms for determining which commercials are most appropriate for those consumers (col. 10, line 54+). Necessarily, purchase transactions are maintained external (by agencies which have gathered data on the customers) to the video on demand system; the searching the subscriber transaction data is performed external to the video on demand system.

Regarding claim 113, Hendricks teaches the purchase transactions are related to at least some subset of product type, products, brands, size, price, quantity, and time (see col. 20, line 20+).

Regarding claim 114, Hendricks teaches the specific transaction are viewing transactions (see col. 20, line 20+).

Regarding claim 115, Hendricks teaches the viewing transactions are maintained within a device located at a subscriber location (see col. 16, line 3+ and 63, line 53+).

Regarding claim 116, Hendricks in view of Hite teaches a method as discussed in the rejection of claim 115. Hite further discloses frequency code can be appended to the commercial's CID code. The frequency indicator code would be loaded into a register at

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the display site. The contents of the frequency indicator code register would be decreased each time the commercial is successively displayed.... (col. 4, line 25+). Necessarily, searching the subscriber transaction data is performed in the device (display site).

Regarding claim 117, Hendricks teaches the viewing transaction are related to at least some subset of channel, network, program, genre, viewing duration, channel change frequency, and volume level (see col. 20, line 20+, col. 34, line 50+).

Regarding claim 118, Hite teaches the searching is performed by a secure third party (agencies, marketing organization- col. 8, line 16+).

Regarding claim 119, Hite teaches the subscriber transaction data is stored in a single database 128 (see figure 2).

Regarding claim 120, Hendricks teaches the associated subscriber transaction data is stored in multiple distributed databases (see col. 40, line 57).

Regarding claim 121, Hite teaches the intended target market traits include transaction characteristics (see col. 4, line 45+).

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Regarding claim 122, Hendricks in view of Hite teaches a method as discussed in the rejection of claim 121. Hendricks further teaches the transaction characteristics are purchasing characteristics (see col. 34, line 45+ and col. 64, line 6+).

Regarding claim 123, Hendricks teaches the purchasing characteristics defined characteristics related to at least some subset of product type, products, brands, size, price, quantity, and time (see col. 20, line 20+, col. 34, line 45+).

Regarding claim 124, Hendricks teaches the transaction characteristics are viewing characteristics (see col. 20, line 20+, col. 34, line 45+).

Regarding claim 125, Hendricks teaches the viewing characteristics defined characteristics related to at least some subset of channel, program, genre, viewing duration, channel change frequency, and volume level (see col. 20, line 20+, col. 34, line 45+).

Regarding claim 126, Hendricks in view of Hite teaches a method as discussed in the rejection of claim 121. Hite further teaches comparing transaction characteristics of the intended target market with transaction characteristics of the subscriber (see figure 2 and col. 9, line 45+).

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Regarding claim 127, Hendricks in view of Hite teaches a method as discussed in the rejection of claim 126, Hite further teaches selecting at least a subset of the targeted advertisements are selected based on the comparing transaction characteristics of the intended target market with transaction characteristics of the subscriber (figure 2 and col. 4, line 55+).

Regarding claim 128, Hite teaches selecting the at least a subset of the targeted advertisements are selected based on the comparing transaction characteristics of the intended target market with transaction characteristic of the subscriber and some combination of household demographics, the selected video, and previous video selections (see figure 2 and col. 4, line 55+).

Regarding claim 129, Hendricks in view of Hite teaches a method as discussed in the rejection of claim 108, Hite further teaches selecting the at least a subset of the targeted advertisements based on some combination of household demographics, the selected video, and previous video selections (see figure 2 and col. 4, line 55+).

Regarding claim 130, Hendricks in view of Hite teaches the method as discussed in the rejection of claim 108. Hite further teaches the advertisements traits includes parameters (frequency indicator code) defining limits on presentation of the associated advertisement to the subscriber, and comprising:

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monitoring advertisements presented to the subscriber; and confirming that the selected targeted advertising are within the limits defined in the advertisement traits based on the monitoring (col. 4, line 25+).

Regarding claim 131, Hendricks teaches the available advertisement opportunities may be prior to, during, within or after the video (see col. 34, line 60+).

Regarding claim 132, Hite discloses commercials are transmitted to the in home storage device with sufficient capacity to hold one or more commercial prior to display (col. 7, line 1+). Hite also discloses the commercial is displayed if it is in a specific channel, or network or show. For example, skiing equipment commercial would be shown during a skiing down hill racing competition (col. 4, line 35+). Thus, delivering the targeted advertisement prepended to the video if the advertisement opportunities are prior to the video.

Regarding claim 133, Hendricks in view of Hite teaches a method as discussed in the rejection of claim 131. Hite also discloses commercials are broadcast in commercial spot of television. As a result, advertisements are delivered postpended to the video if the advertisement opportunities are after the video.

Regarding claim 134, Hendricks discloses local insertion component 246 of the signal processor 209 allows the control CPU 244 to execute the instructions received from the

network controller 214 and insert any local programming and advertisement, the modified signals then transmitted to set top terminals (see col. 61, line 35+). Thus, the delivering includes delivering the targeted advertisements between different segments of the video if the advertisement opportunities are during the video.

Regarding claim 135, Hendricks teaches the delivering includes delivering the targeted advertisements as part of the video if the advertisements opportunities are within the video (see col. 61, line 35+).

Regarding claim 136, Hendricks in view of Hite teaches a method as discussed in the rejection of claim 135. Hite further teaches the advertisement opportunities within the video include at least some subset of bugs, product placements, overlays, and banners (see col. 4, line 35+).

Regarding claim 137, the limitations of the system correspond to the limitations of the method as discussed in the rejection of claim 108 and are analyzed as discussed with respect to the rejection of claim 108.

Regarding claim 138, Hendricks teaches the user interface is an EPG (menu- see figure 17).

Regarding claim 139, Hendricks in view of Hite teaches a system as discussed in the rejection of claim 137. Hite further discloses appropriate CID for each viewer are selected by marketing organization which accumulates data on viewers to determines the commercials most appropriate to their individual needs and wants (col. 8, line 18+). lists of consumers who would be viewing or listening to programming and would be served by commercials which match their needs and wants based on the system... The list is supplied by agencies which have gathered data on the consumers... (col. 10, line 55+). Necessarily, subscriber transaction data is maintained by a third party (agencies or marketing organization) and the means for searching is an interface to the third party.

Regarding claims 140-141, the limitations of the system corresponds to the limitations of the method as discussed in the rejection of claims 115-116 and are analyzed as discussed with respect to the rejection of claims 115-116.

Regarding claim 142, Hendricks in view of Hite teaches a system as discussed in the rejection of claim 137. Hendricks further teaches the means for selecting is located within the device (see figure 1).

Regarding claims 143-144, the limitations of the system corresponds to the limitations of the method as discussed in the rejection of claims 119-120, and are analyzed as discussed with respect to the rejection of claims 119-120.

Regarding claim 145, Hendricks in view of Hite teaches a system as discussed in the rejection of claim 137. Hite further discloses commercial code identifies particular household, display device, or program to display the commercial (col. 5, line 30+). Appropriate CID for each viewer are selected by marketing organization which accumulates data on viewers to determines the commercials most appropriate to their individual needs and wants (col. 8, line 18+). lists of consumers who would be viewing or listening to programming and would be served by commercials which match their needs and wants based on the system... The list is supplied by agencies which have gathered data on the consumers... (col. 10, line 55+). Displaying commercials to viewer based on commercial codes, consumer information in consumer database (figure 2 and col. 9, line 43+). Necessarily, the intended market traits include viewing characteristics, and comprising means for comparing the viewing characteristics of the intended market with the viewing characteristics of the subscriber.

Regarding claim 146, Hendricks in view of Hite teaches a system as discussed in the rejection of claim 145. Hite further teaches the means for selecting the targeted advertisements selects at least a subset of the targeted advertisements based on results from the means for comparing the viewing characteristics of the intended targeted market with the viewing characteristics of the subscriber (selecting commercial to provide viewer based on commercial code and consumer information – figure 2 and col. 9, line 43+).

Regarding claim 147, Hendricks in view of Hite teaches a system as discussed in the rejection of claim 145. Hendricks also teaches generating the viewing characteristics of the subscriber (see col. 20, line 20+, col. 34, line 45+).

Regarding claim 148, Hendricks in view of Hite teaches a system as discussed in the rejection of claim 147. Hendricks further teaches means for generating includes means for monitoring subscriber viewing interactions (col. 20, line 20+); storage for storing a plurality of subscriber signatures (viewer profile), wherein the subscriber signatures identify traits about the subscriber including viewing characteristics and each subscriber signature is associated with unique subscriber traits (see col. 29, line 6+); Hendricks further discloses the set top data collection module 295 receives program watched data and targeted advertisement watched data from the set top terminal 220 (col. 33, line 30+). The commercial is targeted according to viewer profile; and the profile is updated according to status report from the viewer (col. 59, line 47+). Necessarily, the system comprises means for comparing the subscriber viewing interactions with the subscriber signatures; and means for associating the subscriber with the subscriber signature responsive to the means for comparing.

Regarding claim 149, the limitations as claimed directed toward embodying the system of claim 137 in "computer readable medium". It would have been obvious to embody the procedures of Hendricks in view of Hite discussed with respect to claim 137 in a

"computer readable medium" in order that the instructions could be automatically performed by a processor.

Regarding claim 150-153, the limitations as claimed directed toward embodying the system of claims 145-148 in "computer readable medium". It would have been obvious to embody the procedures of Hendricks in view of Hite discussed with respect to claims 145-148 in a "computer readable medium" in order that the instructions could be automatically performed by a processor.

Regarding claims 172-185, the limitations as claimed is broader in scope than the limitations of claims 108,110, 113, 130-136 and therefore, analyzed as discussed with respect to the rejection of claim 108, 110,113,130-136.

Regarding claims 186-189, the limitations of the system as claimed correspond to the limitation of the method as claim in claims 172-174, 179, and are analyzed as discussed with respect to the rejection of claims 172-174, 179.

Regarding claims 190-193, the limitations as claimed directed toward embodying the system of claims 186-189 in "computer readable medium". It would have been obvious to embody the procedures of Hendricks in view of Hite discussed with respect to claim 186-189 in a "computer readable medium" in order that the instructions could be automatically performed by a processor.

4. Claims 154-171 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hendricks et al. (US 6,463,585), and in view of Hite et al. (US 5,774,170); and further in view of Logan et al. (US 5,732,216).

Regarding claim 154, some limitations in the claim are identical to the limitations as claimed in claim 108, and are analyzed with respect to the rejection of claim 108. Hite further discloses presenting the selected video and the targeted advertisements to the subscriber on a viewing device (col. 4, line 33+). Hite also discloses alternative commercial for substituting (col. 3, line 45+); and changing channel during commercial (col. 8, line 1+). However, Neither Hendricks nor Hite specifically discloses the alternative advertisement is a shortened version of the targeted advertisement. Logan teaches alternative advertisement (e.g. music without the announcement or condensed version) is a shortened version of the targeted advertisement (e.g. music with announcement or full version) – see col. 29, line 15+). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Hendricks and Hite to use the teaching as taught by Logan in order to reduce time to view content.

Regarding claim 155-161, the limitations as claimed correspond to the limitations as claimed in claims 130-136 respectively, and are analyzed as discussed with respect to the rejection of claims 130-136.

Regarding claim 162, Hite discloses substituting commercials (col. 3, line 54+); and displaying commercial during video program (col. 4, line 33+). As a result, the alternative advertisement is presented in place of the targeted advertisement.

Regarding claim 163, Hendricks in view of Hite and Logan teaches a method as discussed in the rejection of claim 154. Logan further teaches the alternative advertisement is presented in conjunction with the targeted advertisement (col. 29, line 15+).

Regarding claim 164, Hendricks in view of Hite and Logan teaches a method as discussed in the rejection of claim 154. Hite further teaches the alternative advertisement is derived from the targeted advertisement by application of processing rules (col. 3, line 45+).

Regarding claim 165, Hendricks in view of Hite and Logan teaches a method as discussed in the rejection of claim 154. Hite further teaches the alternative advertisement is a separate advertisement related to the targeted advertisement (col. 4, line 52+).

Regarding claims 166-169, the limitations of the system as claimed correspond to the limitations of the methods as claimed in claims 154, 162-164 respectively, and are analyzed as discussed with respect to the rejection of claims 154, 162-164.

Regarding claims 170 -171, the limitations as claimed directed toward embodying the method of claims 154, 164 in "computer readable medium". It would have been obvious to embody the procedures of Hendricks in view of Hite and Logan as discussed with respect to claim 154, 164 in a "computer readable medium" in order that the instructions could be automatically performed by a processor.

### ***Conclusion***

5. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Dejaeger et al. (US 6,456,981) teaches method and apparatus for displaying a customized advertising message with a retail terminal.

Cragun et al. (US 2002/0087972) teaches squeezable rebroadcast files.

Rosser (US 6,446,261) teaches STD for targeted electronic insertion of indicia into video.

6. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

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A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Son P Huynh whose telephone number is 703-305-1889. The examiner can normally be reached on 8:00-5:30.

8. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Andrew Faile can be reached on 703-305-4380. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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9. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Son P. Huynh  
April 15, 2004



VIVEK SRIVASTAVA  
PRIMARY EXAMINER